

DDR-273-63

19 February 1963

MEMORANDUM FOR : Deputy Director (Support)

SUBJECT : Procurement Handbook, Third Run

1. The Deputy Director (Research) has reviewed the proposed Procurement Handbook, third run. Succeeding paragraphs contain our comments with respect to procedures set forth therein.

2. Based on experience factors and regulatory issuances, the Office of Logistics, as the Agency contracting authority, is responsible for contract negotiation which includes physical plant security, personnel security, precontract audits, control of government furnished equipment, termination and settlement, procurement policy, etc. Within this framework, the Director of Logistics exercises all delegable authority of the Director of Central Intelligence. Accordingly, the Director of Logistics has been held responsible for providing policy guidance in matters relating to the Agency's procurement program, whereas technical offices have been held responsible for the application of policy relating to the initiation of external research projects. The Handbook, as we understand it, attempts to attribute to the Procurement Division the power to legislate procurement policy together with the authority to control its execution. While we have no quarrel with this design as it relates to the procurement of production items, we are unalterably opposed to its application in the external research program. The Deputy Director (Research) strongly disagrees with terms of the proposed Handbook because it clashes with current procedures and delegations of authority.

3. Presently, project engineers have the authority to solicit proposals from prospective sources and evaluate the technical competence of a firm to pursue a given research objective. This authority derives

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protection

not to be used and

dissemination

from entering discussions with prospective sources with respect to the type of contract to be submitted and accompanying detail such as the form of the proposal, financial data, and the price proposal. The application of such procedures would be inimical to the Agency external research program and are not in consonance with procedures known to be essential to a successful research program.

4. While the Handbook does not suggest that single source procurement will be eliminated, it does suggest that single source must be justified in excessive detail by the technical office concerned. Further, the Handbook attributes to the Procurement Evaluation Committee the necessary authority to waive selections of the technical office concerned. This object is implicit in the wording of Chapter 4, paragraph c (1) wherein it is stated that: "recourse may be had to the committee. . . in all cases where the proposed award is not in consonance with technical concepts. The technical representative may express his views for consideration by the committee on evaluating the proposed award." While the Deputy Director (Research) is willing to justify and bear responsibility for single source procurement and procurement from other than low bidders, he is not willing to have that right abrogated unless he is directed to do so by higher authority. It is understood that this right could not be exercised unless it was justifiable in terms of security, operational factors, or the technical competence of a firm to pursue a given research objective.

5. Project engineers, under terms of the proposed procurement handbook, would be charged with the total responsibility for success or failure of a given technical research project. They would, however, find themselves stripped of all authority essential to the establishment of proper contractor relationships and other RD milieu in which the success or failure of a given program may rest.

6. Further, adherence to policies advocated in the Handbook would positively destroy the essential working relationship which must exist between the technical officer and the research worker. Unless a person who thoroughly understands the problem conveys the information directly to the person charged with finding the solution, and subsequently answers questions and offers direction and guidance at a discretionary level, the chance for successful RD is virtually eliminated. Extensive experience has amply borne out this contention, and we should not anticipate or expect any other reaction or outcome.

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7. Within the field of technical collection, the Deputy Director (Research), has been authorized and directed to act for the Director of Central Intelligence in the following areas of responsibility: research, development, test, and evaluation, including RD procurement; policy supervision; and the coordination of joint RD programs with other members of the intelligence community.

8. The attainment of a well integrated and coordinated research program requires that the Deputy Director (Research) assume full responsibility for all technical aspects of the external research program. It is not feasible that these responsibilities be shifted to any other component.

9. We request, therefore, that that portion of the Handbook dealing with the external research program be deleted in its entirety and that any rewrite take cognizance of the responsibility of the Deputy Director (Research) to initiate and monitor external research programs.

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Deputy Director (Research)

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